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> [Wage Price Index, Australia, December 2023](#)

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Wage Price Index, Australia

The WPI measures changes in the price of labour, unaffected by compositional shifts in the labour force, hours worked or employee characteristics

Reference period December 2023

Released 21/02/2024

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Key statistics

- The seasonally adjusted WPI rose 0.9% for December quarter 2023 and 4.2% over the year.
- The private sector quarterly rise was 0.9% and the public sector 1.3%, seasonally adjusted.
- The industries with the largest contribution to quarterly wage growth were Health care and social assistance (1.3%) and Education and training (1.7%).

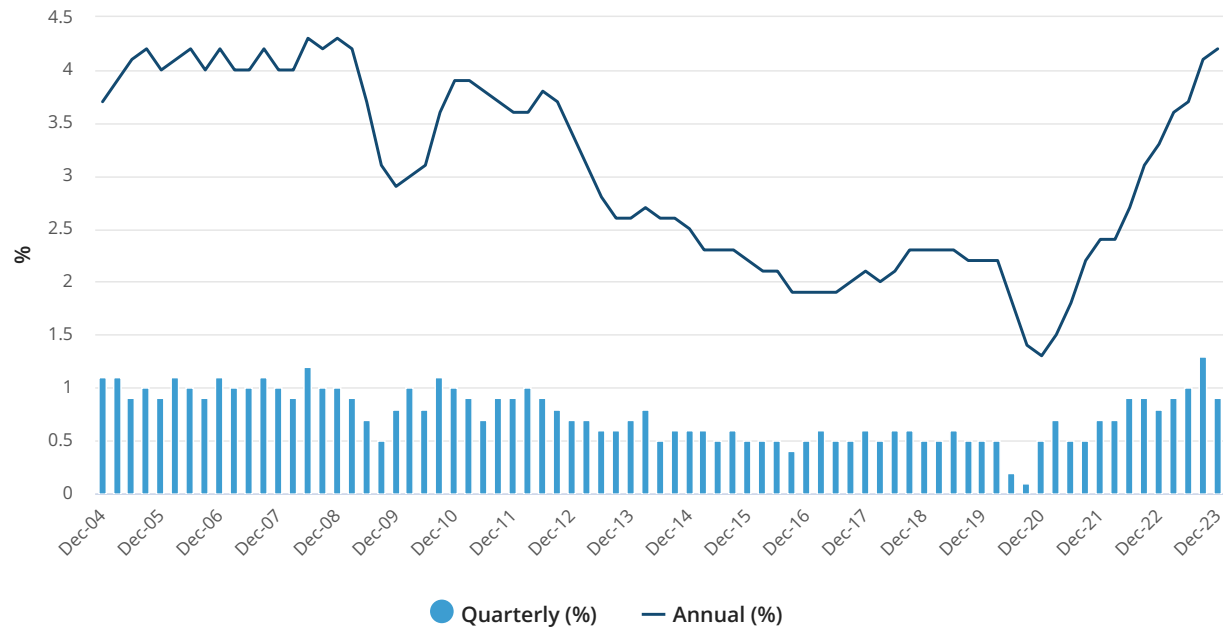
What's new this quarter

This issue includes:

- Information about the WPI expenditure weights that have been updated in the December quarter 2023
- Updates to the Frequently Asked Questions.

Main features

All sector WPI, quarterly and annual movement (%), seasonally adjusted (a)



a. See Interpretation of index numbers, Percentage change and rounding on the [Methodology \(/methodologies/wage-price-index-australia-methodology/dec-2023\)](#) page.

Wage Price Index (WPI) Total hourly rates of pay excluding bonuses

	Sep Qtr 2023 to Dec Qtr 2023 % change(a)	Dec Qtr 2022 to Dec Qtr 2023 % change(a)
Trend(b)		
Australia	1.1	4.2
Private sector	1.1	4.3
Public sector	1.1	4.0
Seasonally Adjusted(c)		
Australia	0.9	4.2
Private sector	0.9	4.2
Public sector	1.3	4.3
Original		
Australia	0.9	4.3
Private sector	0.7	4.2
Public sector	1.5	4.3

a. See Interpretation of index numbers, Percentage change and rounding on the [Methodology \(/methodologies/wage-price-index-australia-methodology/dec-2023\)](#) page.

b. See Interpretation of index numbers, Trend estimates on the [Methodology \(/methodologies/wage-price-index-australia-methodology/dec-2023\)](#) page.

c. See Interpretation of index numbers, Seasonally adjusted indexes and Seasonal analysis methods on the [Methodology \(/methodologies/wage-price-index-australia-methodology/dec-2023\)](#) page.

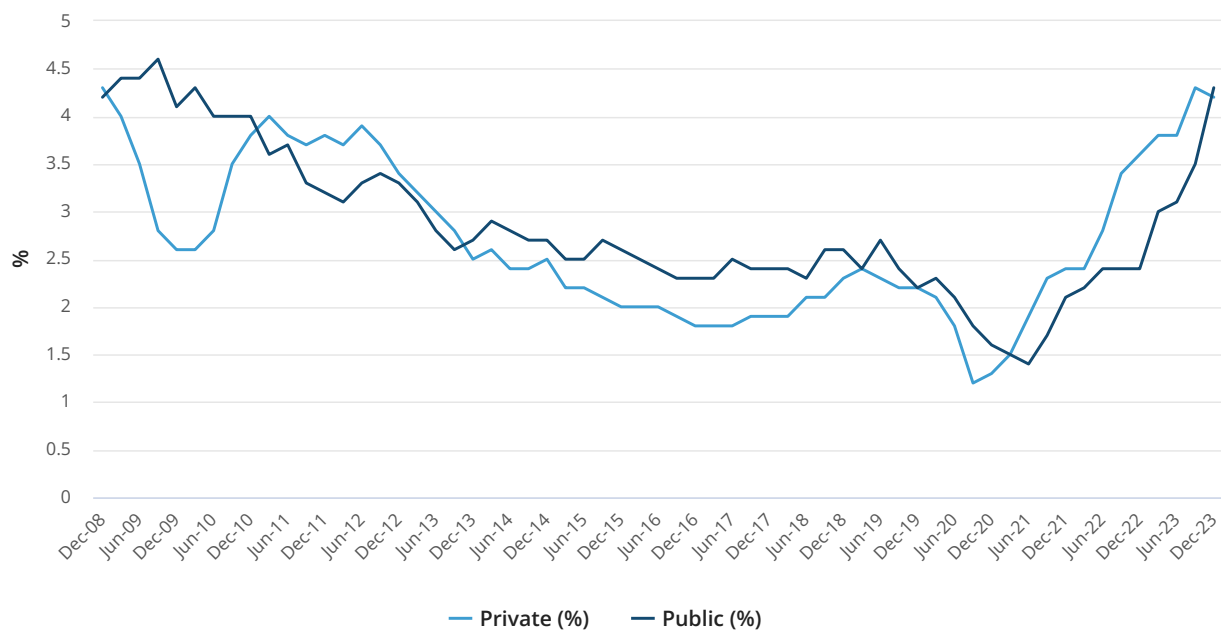
Overview

Seasonally adjusted, wages grew 0.9% in the December quarter 2023 and 4.2% over the year. The annual increase is the highest recorded since March quarter 2009.

The public sector rose 4.3% over the 12 months to the December quarter 2023, tracking slightly above the private

sector (4.2%) for the first time since December quarter 2020. The public sector annual rise was the highest for the sector since March quarter 2010.

Annual wage growth by sector, seasonally adjusted (a)



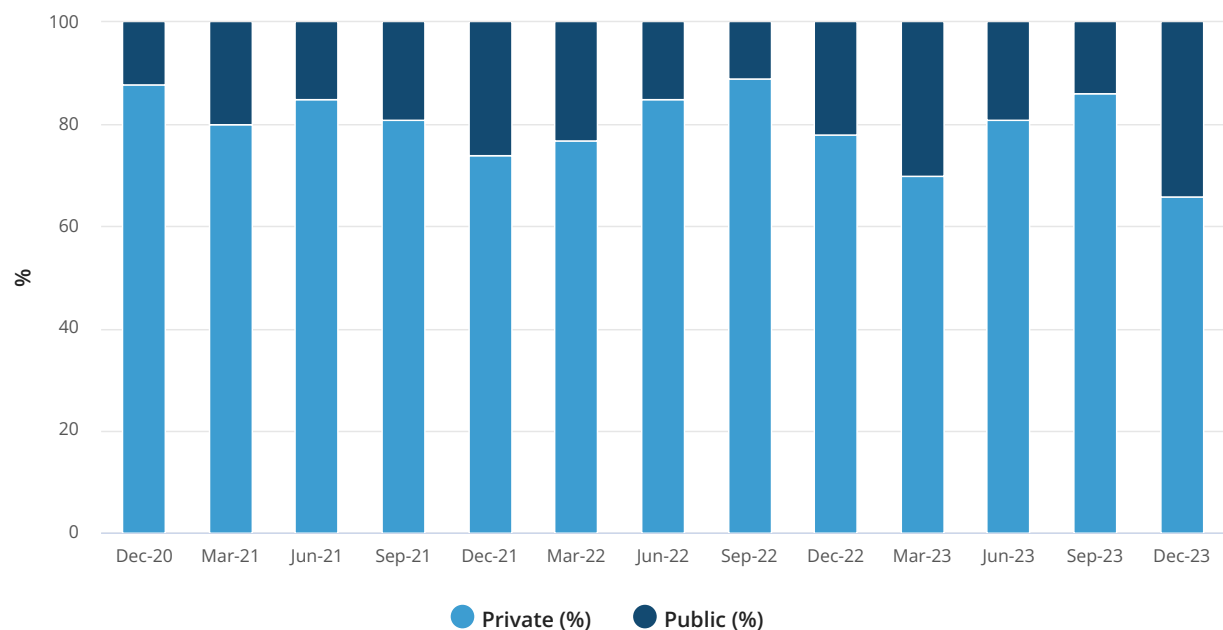
a. See Interpretation of index numbers, Percentage change and rounding on the [Methodology \(/methodologies/wage-price-index-australia-methodology/dec-2023\)](#) page.

Quarterly wage growth on the rise in the public sector

In the December quarter, the private sector was the main contributor to growth (0.9%), while the public sector saw its highest quarterly rise since December quarter 2008 (1.3%).

Typically, the private sector is the main contributor to WPI growth due to the size of the sector (overall number of employees and total wage expenditure) compared to the public sector. The private sector is also more sensitive to changes in the labour market as it has a higher proportion of jobs covered by individual arrangements. The public sector usually contributes between 10% and 25% to overall wage growth, however, this quarter saw a significantly higher contribution to growth from the public sector (34%).

Share of wage growth by sector, original



Enterprise agreements drive quarterly wage growth

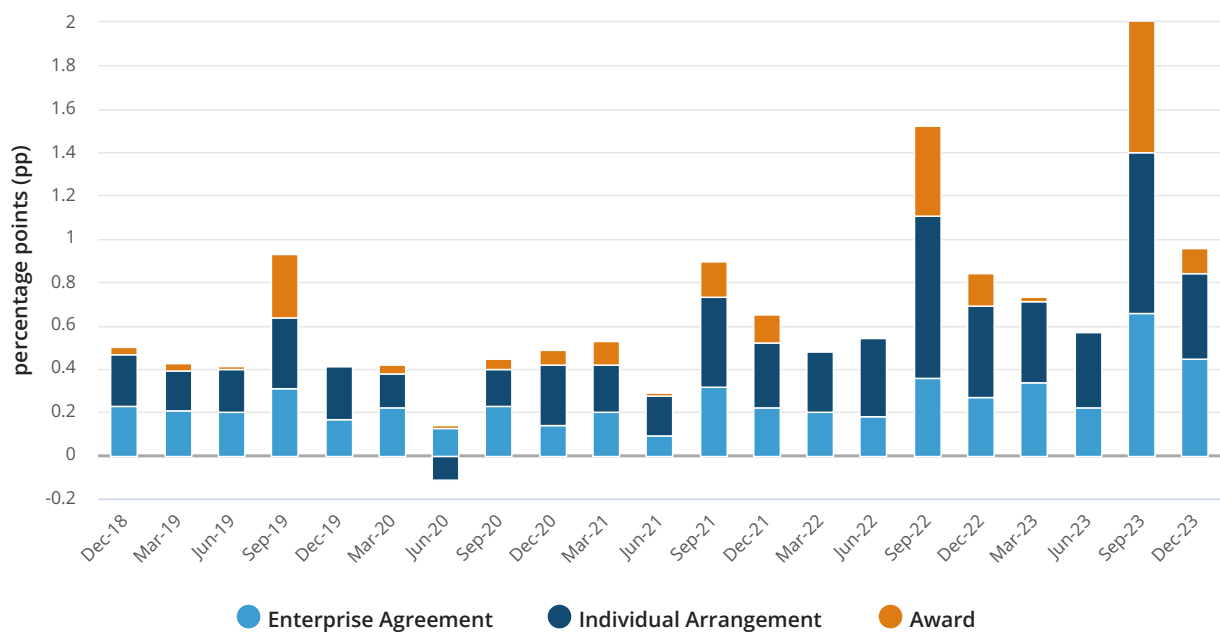
By method of setting pay, jobs covered by enterprise agreements contributed almost half of quarterly growth in December quarter 2023.

The larger than usual December quarter contribution from jobs covered by this method of setting pay was driven by the implementation of newly negotiated enterprise agreements across both sectors.

Additionally, enterprise agreements linked to outcomes from state public sector wage negotiations, the 2022-2023 Fair Wage Commission annual wage review rise, the Aged Care Work Value case decision or the Consumer Price Index (CPI), contributed to higher hourly wage changes than were seen in December quarter 2022.

Centralised wage and salary reviews featured more heavily this quarter as ad hoc increases to jobs covered by individual arrangements (which are generally more sensitive to labour market demand) lessened.

Contributions to quarterly wage growth by method of setting pay, original (a)(b)



a. Analytical series is total hourly rates of pay excluding bonuses.

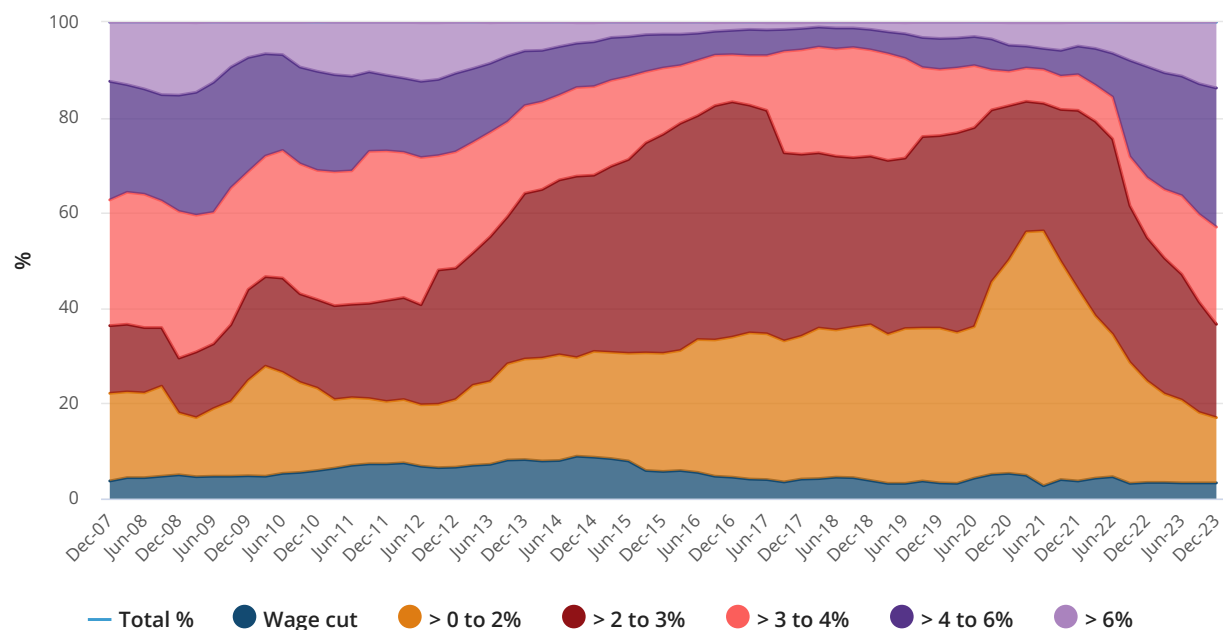
b. See Method used to calculate analytical series 'Contribution to wages growth by method of setting pay' on the [Methodology \(/methodologies/wage-price-index-australia-methodology/dec-2023\)](#) page.

More jobs receiving larger average yearly wage increases

For jobs with a wage movement over the previous four quarters, the share of jobs that have recorded an annualised increase above 3% has continued to grow since June quarter 2022.

Almost two thirds (64%) of all jobs that recorded a wage change over the previous 12 months received an annualised increase above 3%, compared to 45% in December quarter 2022.

Wage changes of different sizes (a)(b)



- a. Index series is original, total hourly rates of pay excluding bonuses.
b. Share of jobs that experienced a wage change, smoothed using a four quarter trailing average.

Sector wage growth

Slightly fewer jobs recorded a wage movement in December quarter 2023 compared to the same period in the previous year (21% compared to 23%). However, the average size of the hourly wage changes for these jobs was higher for the year to December quarter 2023 (4.4%) compared to the same period in 2022 (3.7%).

In the December quarter 2023, a significantly higher proportion of jobs in the public sector recorded a wage movement compared to the same period last year (38% to 29%). The average wage change was also notably higher (4.3% compared to 2.8%) following changes to some state wage policies and new enterprise agreements coming into effect.

Quarterly wage dynamics, by sector, original (a)

	December quarter 2023 (%)	September quarter 2023 (%)	December quarter 2022 (%)
All Sector			
Percentage of jobs with a wage change	21	46	23
Average hourly wage change	4.4	5.4	3.7
Private Sector			
Percentage of jobs with a wage change	16	49	21
Average hourly wage change	4.4	5.8	4.0
Public Sector			
Percentage of jobs with a wage change	38	34	29
Average hourly wage change	4.3	3.3	2.8

- a. Average hourly wage change only includes jobs recording a wage movement in the current quarter.

Private sector

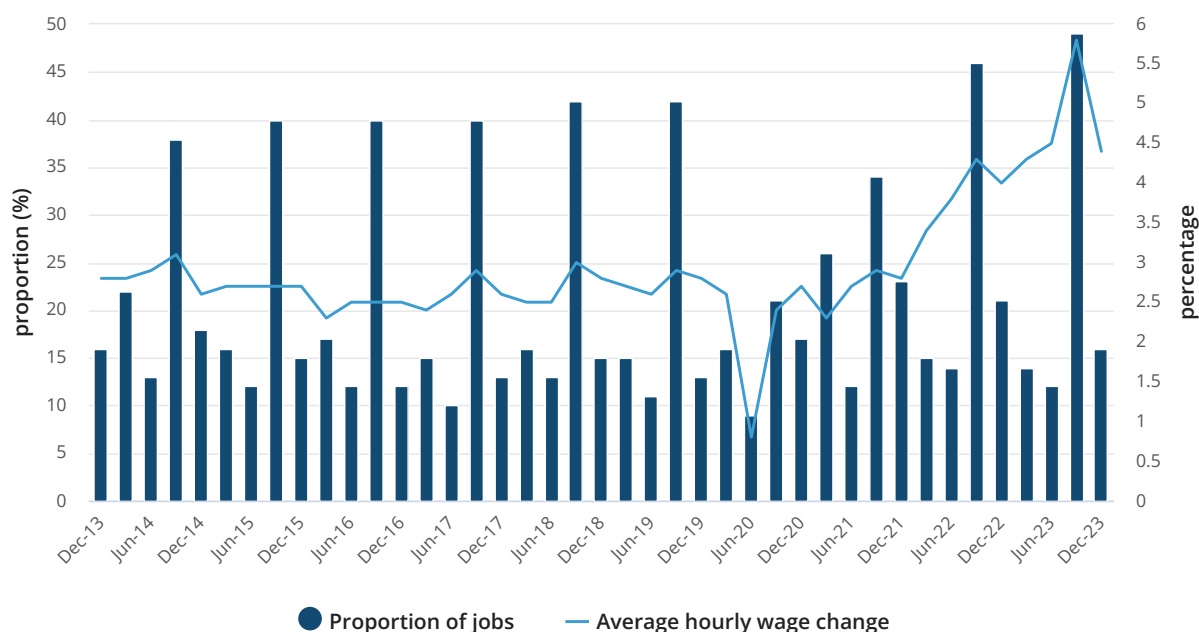
In original terms, the private sector saw wage growth of 0.7%, slightly lower than the same time last year (0.8%). A smaller proportion of private sector jobs recorded a wage change (16%) compared to the same period in 2022 (21%), these jobs recorded a higher average hourly wage change (4.4% compared to 4.0%).

The lower proportion of jobs recording a wage rise this quarter is in part due to timing decisions from the Fair Work Commission (FWC) annual wage review. December quarter 2022 saw the second stage of award rises paid across some industry groups, while the more recent [Annual Wage Review 2022-23 decision \(https://www.fwc.gov.au/hearings-decisions/major-cases/annual-wage-reviews/annual-wage-review-2022-23\)](https://www.fwc.gov.au/hearings-decisions/major-cases/annual-wage-reviews/annual-wage-review-2022-23) saw timing of award rises take full effect across all industry groups from 1 July 2023.

The main drivers of the higher average hourly wage change for private sector were;

- higher and out of cycle wage increases being paid to jobs covered by enterprise agreements, including those linked to CPI, the FWC Aged Care Work Value case decisions or public sector wage outcomes.
- jobs paid by individual arrangement that received annual wage or salary reviews.

Quarterly wage dynamics in the private sector, original (a)



a. Average hourly wage change only includes jobs recording a wage movement in the current quarter.

Public sector

When compared to the same period in 2022, the public sector saw a significant increase in both the proportion of jobs that received a wage movement (38% compared to 29%) and the size of average hourly wage (4.3% compared to 2.8%).

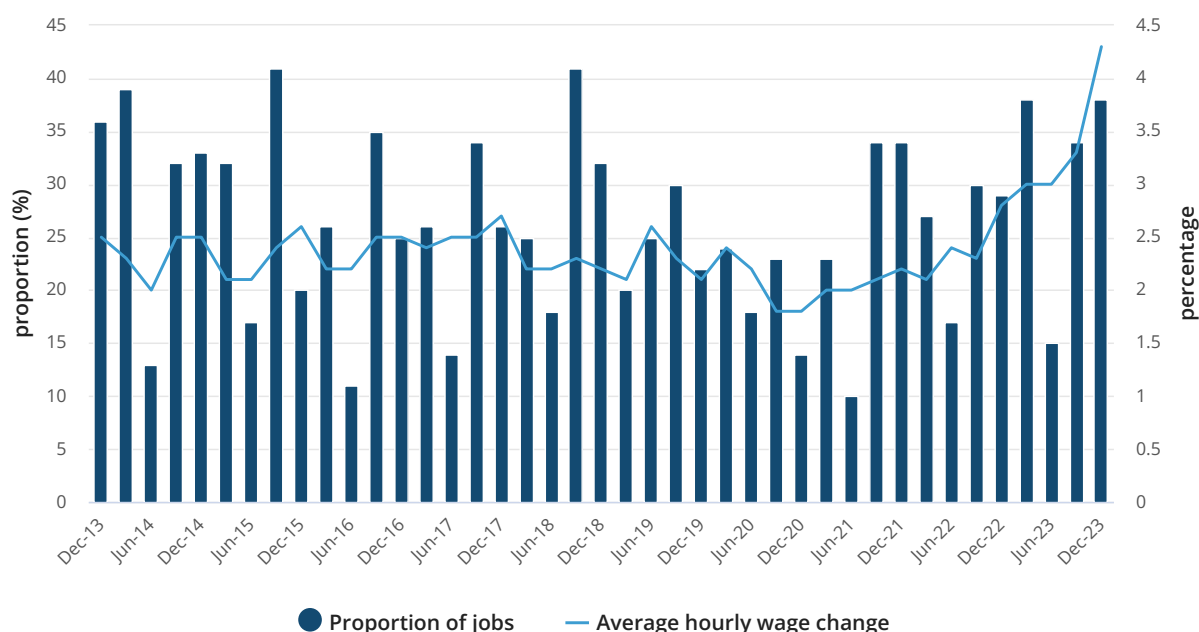
Higher average wage changes were seen across:

- newly implemented enterprise agreements for essential workers linked to [New South Wales \(https://arp.nsw.gov.au\)](https://arp.nsw.gov.au)

[v.au/m2023-04-nsw-government-fair-pay-and-bargaining-policy-2023/](https://www.forgov.qld.gov.au/m2023-04-nsw-government-fair-pay-and-bargaining-policy-2023/)) and Queensland (<https://www.forgov.qld.gov.au/employment-policy-career-and-wellbeing/pay-benefits-and-leave/employee-pay-and-benefits>) state wage policy outcomes.

- eligible jobs in Queensland which received top up payments from a Cost of Living Adjustment (COLA) in addition to basic wage increases.
- several new local government bargaining outcomes.

Quarterly wage dynamics in the public sector, original (a)



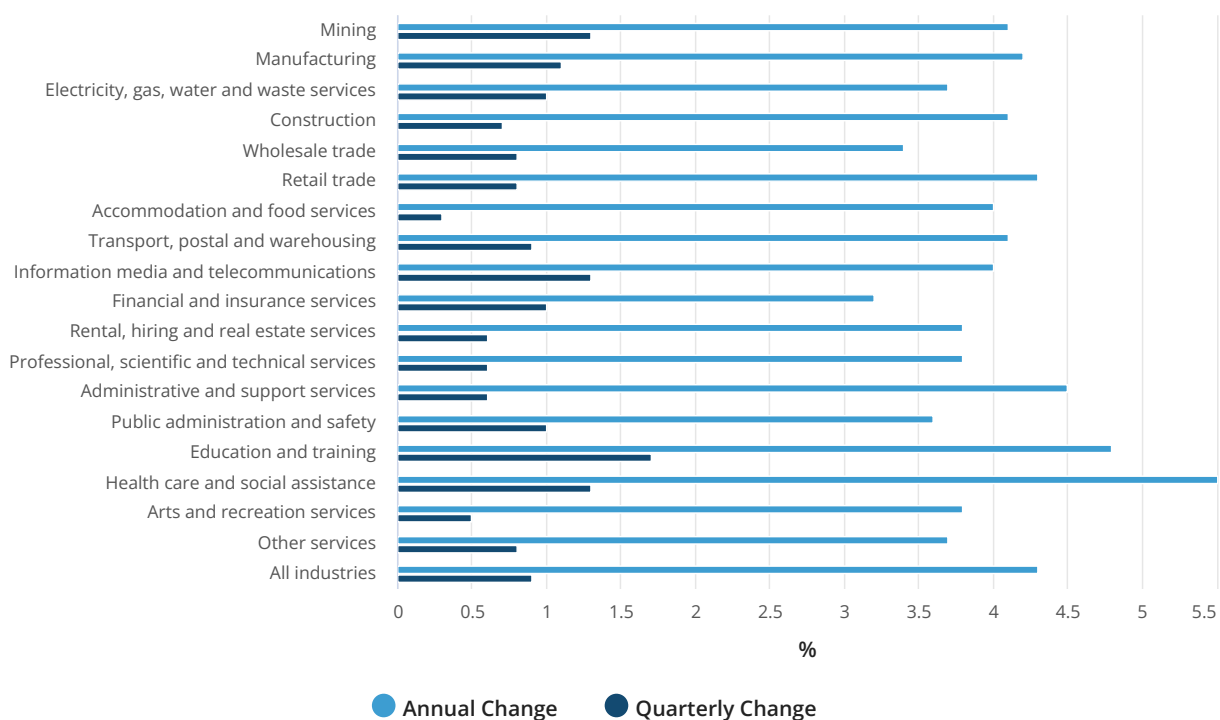
a. Average hourly wage change only includes jobs recording a wage movement in the current quarter.

Industry wage growth

Original estimates:

- The Education and training industry saw the highest quarterly rise (1.7%). This was due to out of cycle increases paid to jobs covered by enterprise agreements linked to public sector wage outcomes across both sectors.
- The Accommodation and food services industry recorded the lowest quarterly rise (0.3%).
- The Health care and social assistance industry recorded the highest through the year index growth (5.5%), the highest for the sector since the commencement of the series. The Finance and insurance services industry recorded the lowest through the year growth (3.2%).

Annual and quarterly movement - industries (a)



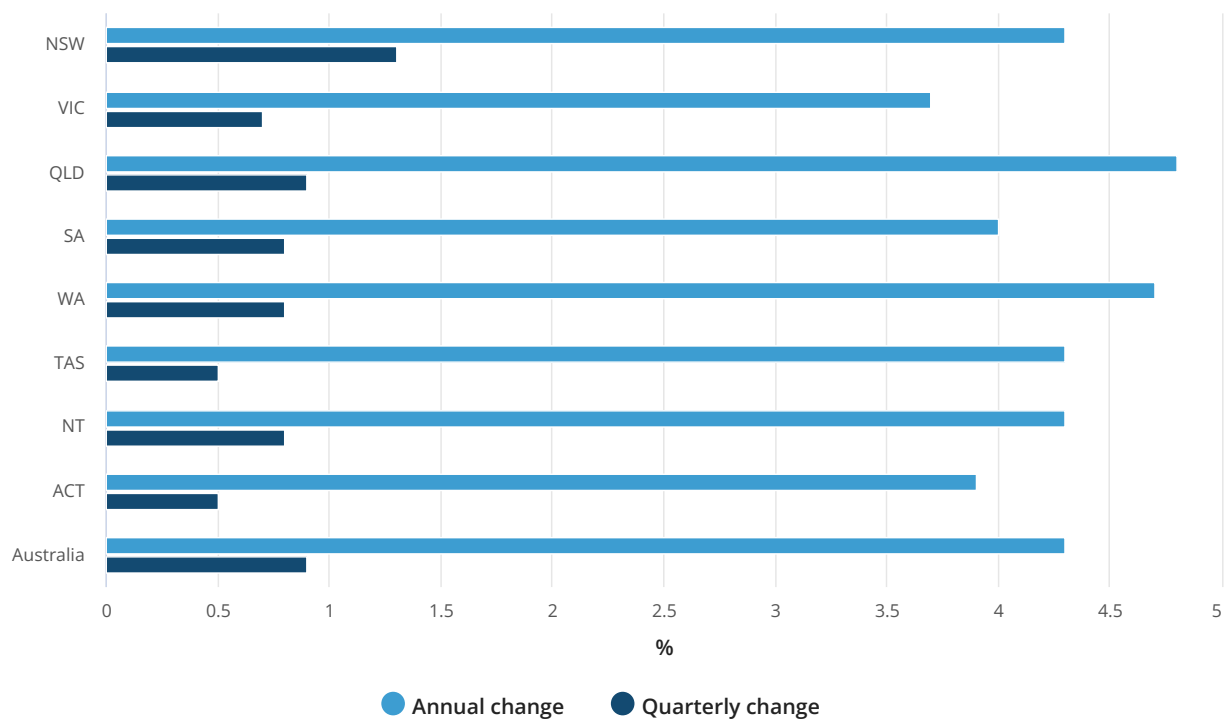
a. Index series is original, total hourly rates of pay excluding bonuses.

State and territory wage growth

Original estimates:

- New South Wales recorded the highest quarterly wage rise (1.3%). Tasmania and Australian Capital Territory saw the lowest movement at 0.5%.
- Queensland saw the highest annual wage movement at 4.8%. Victoria saw the lowest through the year movement at 3.7%, followed by Australian Capital Territory at 3.9%.

Annual and quarterly movement - states and territories (a)



a. Index series is original, total hourly rates of pay excluding bonuses.

Survey impacts and changes

Seasonal adjustment and trend

In June 2020, due to the large and unusual impact of COVID-19 on the economy, the private and All Sector series of the Wage Price Index were moved to the “forward factors” method for seasonal adjustment. This method (as described in the article on [Methods changes due to COVID-19 \(/articles/methods-changes-during-covid-19-period#abs-trend-and-seasonal-adjustment-during-covid-19\)\)](#) is better suited in an uncertain environment as the seasonal factors are fixed for a 12 month period. The public sector series remained using the “concurrent” adjustment method, as the disruption was not observed in this sector. The trend estimates were suspended for all series at this time.

The ABS completed their annual review of seasonal adjustment in the WPI in June 2022 and as a result reverted all series to “concurrent” adjustment, as the series had stabilised. The ABS also reinstated the trend estimates for all series in the WPI in June 2022.

Data downloads

I-Note

The wage price indexes in Tables 1, 2b, 3b, 4b, 5b, 7b, 8b and 9b are updated and released every quarter. The corresponding financial year wage price indexes in Tables 2a, 3a, 4a, 5a, 7a, 8a and 9a are updated and released each June quarter for the preceding financial year. There are no financial year indexes created for Table 1.

Time series spreadsheets

[Download all \(1.14 MB\)](#)

Table 1. Total hourly rates of pay excluding bonuses: sector, original, seasonally adjusted and trend

[Download XLSX](#)

[63.46 KB]

[\(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634501.xlsx\)](/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634501.xlsx)

Table 2a. Total hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

[Download XLSX](#)

[51.33 KB]

[\(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634502a.xlsx\)](/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634502a.xlsx)

Table 2b. Total hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

[Download XLSX](#)

[65.2 KB]

[\(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634502b.xlsx\)](/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634502b.xlsx)

Table 3a. Total hourly rates of pay excluding bonuses: private sector by state, original (financial year index numbers for year ended June quarter)

[Download XLSX](#)

[51.35 KB]

[\(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634503a.xlsx\)](/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634503a.xlsx)

Table 3b. Total hourly rates of pay excluding bonuses: private sector by state, original (quarterly index numbers)

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[65.18 KB]

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Table 4a. Total hourly rates of pay excluding bonuses: public sector by state, original (financial year index numbers for year ended June quarter)

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[51.41 KB]

[\(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634504a.xlsx\)](/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634504a.xlsx)

Table 4b. Total hourly rates of pay excluding bonuses: public sector by state, original (quarterly index numbers)

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[65.7 KB]

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Table 5a. Total hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

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[74.41 KB]

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Table 5b. Total hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

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[139.83 KB]

(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634505b.xlsx)

Table 7a. Hourly rates of pay including bonuses: sector, original (financial year index numbers for year ended June quarter)

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[49.22 KB]

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Table 7b. Hourly rates of pay including bonuses: sector, original (quarterly index numbers)

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[58.27 KB]

(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634507b.xlsx)

Table 8a. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

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[51.37 KB]

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Table 8b. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

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[65.21 KB]

(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634508b.xlsx)

Table 9a. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

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[74.35 KB]

(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634509a.xlsx)

Table 9b. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

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[139.83 KB]

(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/634509b.xlsx)

All WPI series: original (quarterly index numbers)

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[131.71 KB]

(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/63450Table2bto9b.xlsx)

All WPI Series: original (financial year index numbers for year ended June quarter)

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[85.17 KB]

(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/63450Table2ato9a.xlsx)

Data cubes - Distribution of expenditure on wages, wage price index, Australia

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[164.81 KB]

(/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023/63450.xlsx)

Create your own tables and visualisations with Data Explorer

Caution: Data in Data Explorer is currently released after the 11:30am release on the ABS website. Please check the reference period when using Data Explorer.

Wage Price Index ([https://explore.data.abs.gov.au/vis?fs\[0\]=ABS%20Topics%2C1%7CECONOMY%23ECONOMY%23%7CPrice%20Indexes%20and%20Inflation%23PRICE_INDEX_INFLATION%23&pg=0&fc=ABS%20Topics&df\[ds\]=ABS_ABS_TOPICS&df\[id\]=WPI&df\[ag\]=ABS&df\[vs\]=1.2.0&pd=2020-Q1%2C2021-Q2&dq=.THRPEB..TOT..AUS.Q&ly\[cl\]=MEASURE&ly\[rw\]=TIME_PERIOD&ly\[rs\]=TSEST%2CSECTOR\)](https://explore.data.abs.gov.au/vis?fs[0]=ABS%20Topics%2C1%7CECONOMY%23ECONOMY%23%7CPrice%20Indexes%20and%20Inflation%23PRICE_INDEX_INFLATION%23&pg=0&fc=ABS%20Topics&df[ds]=ABS_ABS_TOPICS&df[id]=WPI&df[ag]=ABS&df[vs]=1.2.0&pd=2020-Q1%2C2021-Q2&dq=.THRPEB..TOT..AUS.Q&ly[cl]=MEASURE&ly[rw]=TIME_PERIOD&ly[rs]=TSEST%2CSECTOR))

For information on Data Explorer and how it works, see the [Data Explorer user guide \(/about/data-services/data-explorer/data-explorer-user-guide\)](/about/data-services/data-explorer/data-explorer-user-guide).

Previous catalogue number

This release previously used catalogue number 6345.0.

Using price indexes

Price indexes in contracts

Price indexes published by the Australian Bureau of Statistics (ABS) provide summary measures of the movements in various categories of prices over time. They are published primarily for use in Government economic analysis. Price indexes are also often used in contracts by businesses and government to adjust payments and/or charges to take account of changes in categories of prices (Indexation Clauses).

[Use of Price Indexes in Contracts \(https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts\)](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts) sets out a range of issues that should be taken into account by parties considering the inclusion of an Indexation Clause within a contract utilising an ABS published price index.

Frequently asked questions

The article [Frequently asked questions \(FAQs\) about the Wage Price Index \(/articles/frequently-asked-questions-faqs-about-wage-price-index\)](/articles/frequently-asked-questions-faqs-about-wage-price-index) has answers to a number of common questions to do with price indexes and the Wage Price Index, in particular.

Methodology

Scope

The quarterly WPI measures change in the price of wages and salaries in the Australian Labour market over time.

Geography

Quarterly WPI data is published at the national, sector, state and industry level.

Source

Prices for a range of jobs are collected from a sample of private and public sector employers undertaking economic activity across Australia.

Collection method

Prices are collected on a quarterly basis via electronic collection.

Concepts, sources and methods

Information about the data sources and methods used to compile WPI is contained in the [Wage Price Index: Concepts, Sources and Methods \(/statistics/detailed-methodology-information/concepts-sources-methods/wage-price-index-concepts-sources-and-methods/2012\)](#).

History of changes

- Sample redesign 2009
 - Expenditure weights update Dec 2023
 - Wage setting analytical series updated June 2023
-

[View full methodology \(/methodologies/wage-price-index-australia-methodology/dec-2023\)](#)